GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4142
ANSWERED ON:11.08.2017
Loan for Tenant Farmers
Hooda Shri Deepender Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken any steps to ensure the availability of institutionalised credit to landless tenant cultivators/farmers;
(b) if so, the details thereof;
(c) whether the Government has acted on Reserve Bank of India's recommendation to give credit eligibility certificates to tenant farmers; and
(d) if so, the details thereof and the steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): In terms of Reserve Bank of India (RBI), Master Direction dated 07 July 2017 on Priority Sector Lending (PSL) − Targets and Classification, a target of 18 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE), whichever is higher, is prescribed for Agriculture under priority sector lending, for all Scheduled Commercial Banks operating in India. Further, a sub-target of 8% for small and marginal farmers has also been fixed which includes landless agricultural labourers, tenant farmers, oral lessees and share-croppers, Loans to Self Help Groups (SHGs) or Joint Liability Groups (JLGs), directly engaged in Agriculture and Allied Activities, provided banks maintain disaggregated data of such loans.

In terms of announcement in the Union Budget 2014-15, RBI has issued guidelines dated 13 November 2014, for financing 'BhoomiHeenKisan' to augment the flow of credit to landless farmers cultivating land as tenant farmers, oral lessees or share croppers and small/ marginal farmers as well as other poor individuals taking up farm activities, off-farm activities and non-farm activities through JLG and bringing them into the fold of institutional credit.
As per extant Kisan Credit Card (KCC) Scheme, all farmers i.e. individuals/joint borrowers who are owner cultivators, tenant farmers, oral lessees/share-croppers; and SHGs/ JLGs of farmers (which also includes tenant farmers, share croppers etc.) are eligible for adequate and timely credit support from banking system for their credit requirements for agriculture and allied activities.
The benefits of Interest Subvention Scheme is extended to all farmers including tenant farmers availing short term crop loans. Under the said scheme, short-term crop loans uptoRs. 3 lakh is provided to the farmers at a reduced interest rate at 7 percent per annum, which further gets reduced to 4 percent in case of prompt-payee farmers.
In order to make credit available and also augment it to landless farmers such as tenant farmers, oral lessees, share croppers, etc. for taking up farm and non-farm activities, NABARD has piloted and developed a credit product for JLGs. The JLGs facilitate hassle free credit to farmers both for short and long term purposes without collateral through the banking system.